

# College and Universities

Analyst: Borden

## Historical Summary

<b>OPERATING BUDGET</b>	<b>FY 2002 Total App</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Approp</b>	<b>FY 2004 Request</b>	<b>FY 2004 Gov Rec</b>
<b>BY FUND CATEGORY</b>					
General	229,723,600	228,925,300	213,558,800	226,631,100	222,495,000
Dedicated	97,941,300	83,570,000	80,884,200	94,270,100	102,595,000
<b>Total:</b>	<b>327,664,900</b>	<b>312,495,300</b>	<b>294,443,000</b>	<b>320,901,200</b>	<b>325,090,000</b>
Percent Change:		(4.6%)	(5.8%)	9.0%	10.4%
<b>BY OBJECT OF EXPENDITURE</b>					
Personnel Costs	0	240,770,000	0	0	0
Operating Expenditures	0	57,402,400	0	0	0
Capital Outlay	0	14,322,900	0	0	0
Lump Sum	327,664,900	0	294,443,000	320,901,200	325,090,000
<b>Total:</b>	<b>327,664,900</b>	<b>312,495,300</b>	<b>294,443,000</b>	<b>320,901,200</b>	<b>325,090,000</b>
Full-Time Positions (FTP)	3,677.20	3,759.74	3,552.82	3,594.66	3,594.66

## Division Description

Idaho's baccalaureate institutions of higher education include Boise State University in Boise, Idaho State University in Pocatello, the University of Idaho in Moscow, and Lewis-Clark State College in Lewiston.

These four year schools provide a wide variety of on and off-campus educational programs to meet the personal and professional needs of Idahoans at the baccalaureate, masters and doctoral levels. They also provide assistance to Idaho citizens through research and service programs. Idaho's college and universities cooperate and collaborate to efficiently use the resources that support the state's higher education system.

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## Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
<b>FY 2003 Original Appropriation</b>	<b>3,552.82</b>	<b>213,558,800</b>	<b>294,443,000</b>	<b>3,552.82</b>	<b>213,558,800</b>	<b>294,443,000</b>
Reappropriations	0.00	0	20,772,600	0.00	0	20,772,600
Other Approp Adjustments	0.00	0	0	0.00	0	0
<b>FY 2003 Total Appropriation</b>	<b>3,552.82</b>	<b>213,558,800</b>	<b>315,215,600</b>	<b>3,552.82</b>	<b>213,558,800</b>	<b>315,215,600</b>
Expenditure Adjustments	37.69	0	16,317,800	37.69	0	16,317,800
<b>FY 2003 Estimated Expenditures</b>	<b>3,590.51</b>	<b>213,558,800</b>	<b>331,533,400</b>	<b>3,590.51</b>	<b>213,558,800</b>	<b>331,533,400</b>
Removal of One-Time Expenditures	0.00	0	(21,991,900)	0.00	0	(21,991,900)
Base Adjustments	0.00	0	0	0.00	0	0
<b>FY 2004 Base</b>	<b>3,590.51</b>	<b>213,558,800</b>	<b>309,541,500</b>	<b>3,590.51</b>	<b>213,558,800</b>	<b>309,541,500</b>
Personnel Cost Rollups	0.00	2,158,100	2,804,400	0.00	2,536,400	3,315,400
Inflationary Adjustments	0.00	551,400	1,481,200	0.00	551,400	1,481,200
Nonstandard Adjustments	4.15	1,826,200	2,521,400	4.15	1,826,200	10,751,900
Change in Employee Compensation	0.00	1,737,500	2,245,300	0.00	0	0
Fund Shift & Replace Endowment Losses	0.00	4,491,700	0	0.00	4,022,200	0
<b>FY 2004 Program Maintenance</b>	<b>3,594.66</b>	<b>224,323,700</b>	<b>318,593,800</b>	<b>3,594.66</b>	<b>222,495,000</b>	<b>325,090,000</b>
1. Funding Equity, Year 1 of 5	0.00	2,307,400	2,307,400	0.00	0	0
Lump-Sum or Other Adjustments	0.00	0	0	0.00	0	0
<b>FY 2004 Total</b>	<b>3,594.66</b>	<b>226,631,100</b>	<b>320,901,200</b>	<b>3,594.66</b>	<b>222,495,000</b>	<b>325,090,000</b>
Change from Original Appropriation	41.84	13,072,300	26,458,200	41.84	8,936,200	30,647,000
% Change from Original Appropriation		6.1%	9.0%		4.2%	10.4%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>FY 2003 Original Appropriation</b>					
	3,552.82	213,558,800	80,884,200	0	294,443,000
<b>Reappropriations</b>					
Agency Request	0.00	0	20,772,600	0	20,772,600
Governor's Recommendation	0.00	0	20,772,600	0	20,772,600
<b>Other Approp Adjustments</b>					
Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0
<b>FY 2003 Total Appropriation</b>					
Agency Request	3,552.82	213,558,800	101,656,800	0	315,215,600
Governor's Recommendation	3,552.82	213,558,800	101,656,800	0	315,215,600
<b>Expenditure Adjustments</b>					
This action provides additional spending authority totaling \$15,219,500 for the new revenue generated by enrollment and student fee increases, records \$1,098,300 in non-cognizable revenue and documents the net result of employee changes at the four-year schools. The Legislature has not chosen to cap the number of full-time equivalent positions for higher education. This gives the institutions the ability to add new positions in between legislative sessions. The new positions are typically added to address the need created by growing enrollments and are funded from the additional fees generated by those additional students and increased student fees. Since student fee increases are approved by the State Board of Education in April each year and become effective at the start of the academic year the following August, those amounts are added to the Base prior to the next appropriation. Higher Education Research Council (HERC) and Technology Incentive grants totaling \$3,009,600 are also allocated among the four-year institutions here and net to zero.					
Agency Request	37.69	0	16,317,800	0	16,317,800
Governor's Recommendation	37.69	0	16,317,800	0	16,317,800
<b>FY 2003 Estimated Expenditures</b>					
Agency Request	3,590.51	213,558,800	117,974,600	0	331,533,400
Governor's Recommendation	3,590.51	213,558,800	117,974,600	0	331,533,400
<b>Removal of One-Time Expenditures</b>					
Agency Request	0.00	0	(21,991,900)	0	(21,991,900)
Governor's Recommendation	0.00	0	(21,991,900)	0	(21,991,900)
<b>Base Adjustments</b>					
A total of \$3,009,600 in Higher Education Research Council (HERC) and Technology Incentive Grant funds are allocated among the four institutions.					
Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0
<b>FY 2004 Base</b>					
Agency Request	3,590.51	213,558,800	95,982,700	0	309,541,500
Governor's Recommendation	3,590.51	213,558,800	95,982,700	0	309,541,500

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>Personnel Cost Rollups</b>					
Includes the employer-paid portion of estimated changes in employee benefit costs.					
Agency Request	0.00	2,158,100	646,300	0	2,804,400
<i>The Governor also recommends additional funding to be applied to the employee paid portion of health and dental insurance cost increases, in order to prevent employees from experiencing a reduction in take-home pay.</i>					
Governor's Recommendation	0.00	2,536,400	779,000	0	3,315,400
<b>Inflationary Adjustments</b>					
General 2.4% inflationary increase for operating expenses and capital outlay. Since the college and universities do not ask for money to replace capital items, they request that the general inflationary factor be applied to their capital outlay base to maintain purchasing power.					
Agency Request	0.00	551,400	929,800	0	1,481,200
<i>The governor recommends a 2.4% inflationary adjustment for all operating expenditures and capital outlay in the FY 2004 Base. This includes utilities and interagency billings in OE and library acquisitions and departmental equipment in CO.</i>					
Governor's Recommendation	0.00	551,400	929,800	0	1,481,200
<b>Nonstandard Adjustments</b>					
ENROLLMENT WORKLOAD ADJUSTMENT General Fund money totaling \$1,364,900 and 3.0 FTE is requested for the annual Enrollment Workload Adjustment. EWA funding is based on a 3-year moving average of credit hours multiplied by course level and program weights. Credit hours generated from externally funded sources or contracts are not included. Weighting factors are applied to four groups of instructional disciplines and for lower, upper, masters, doctoral and law course levels. An additional 5% emphasis factor is given to each institution's primary emphasis (Role & Mission) areas.					
Other External Non-Standard Adjustments include several formula-driven components. An additional 1.15 FTE according to the formula for new occupancy costs associated with new academic facilities coming online in FY 2003. A total of \$448,700, composed of 37% General Fund money, 54% student fees and 9% endowment funds, for library book and periodicals inflationary adjustment. The book inflationary rate is calculated at 3% while the periodical inflationary rate is 10%. Funding for higher utility costs totaling \$233,900 of which 55% is requested from the General Fund and 37% from student fees. Risk Management premium increases total \$337,900 while increases in State Controller and State Treasurer fees total \$129,700 and \$6,300 respectively.					
Agency Request	4.15	1,826,200	695,200	0	2,521,400
<i>Based on State Board of Education action, the governor's recommendation includes a 10% increase in student fees that totals \$8,230,500 in dedicated funds.</i>					
Governor's Recommendation	4.15	1,826,200	8,925,700	0	10,751,900
<b>Change in Employee Compensation</b>					
Reflects the cost of a 1% salary increase for permanent and group positions.					
Agency Request	0.00	1,737,500	507,800	0	2,245,300
<i>The Governor does not recommend new funding for state employee pay increases. Compensation increases may be funded with agency salary savings wherever possible.</i>					
Governor's Recommendation	0.00	0	0	0	0

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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## Fund Shift & Replace Endowment Losses

**MCO INCREASE FUND SHIFT** Nearly two-thirds of this fund shift is requested to provide additional General Fund money to replace the Maintenance of Current Operations increases allocated to the endowments and student fees. Of the total amount requested, \$399,200 or 9% would offset the endowment fund portion of the MCO increases while \$2,379,900 or 53% would offset the student fee MCO increases. The remaining 38% would replace endowment losses.

**ENDOWMENT LOSS REPLACEMENT** Since last fiscal year, the earnings from the five endowment funds that help support higher education in Idaho have declined by \$1,712,700 or 12.3%. For FY 2003, the original endowment appropriation for the four-year schools totaled \$13,635,900. For FY 2004, the State Board of Land Commissioners approved distributions totaling \$11,964,700. The four-year institutions request General Fund money to replace the diminished endowment funds and maintain equivalent funding at the FY 2003 level.

Agency Request	0.00	4,491,700	(4,491,700)	0	0
Governor's Recommendation	0.00	4,022,200	(4,022,200)	0	0

## FY 2004 Program Maintenance

Agency Request	3,594.66	224,323,700	94,270,100	0	318,593,800
Governor's Recommendation	3,594.66	222,495,000	102,595,000	0	325,090,000

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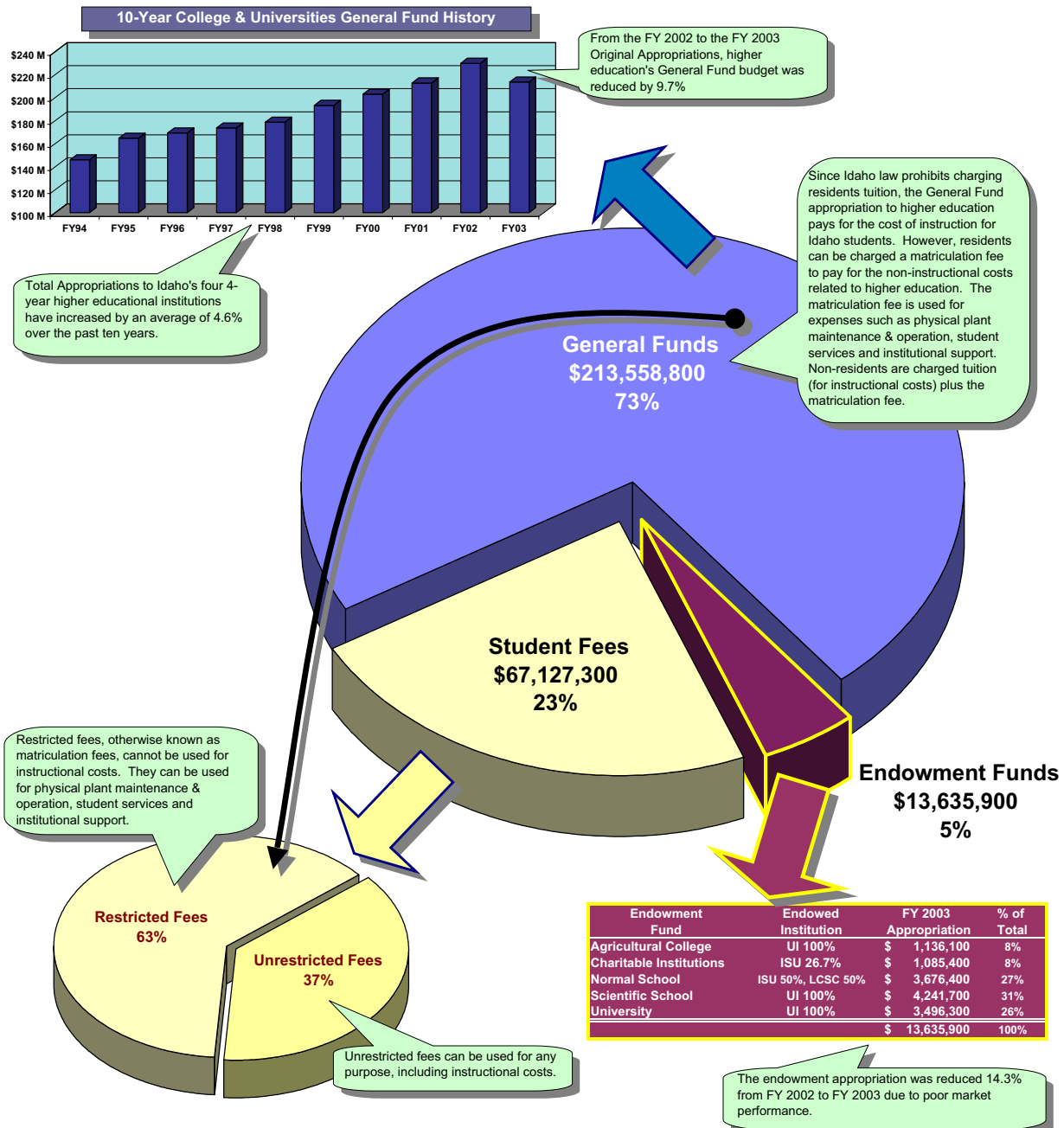
Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>1. Funding Equity, Year 1 of 5</b>					
<p>In 2001, members of the Legislature prompted the State Board of Education to examine equity of state funding among Idaho's four-year institutions of higher education. The task was to determine if similar students in similar programs received similar amounts of state funding. The Board engaged a private consulting firm that first concluded that Idaho's baccalaureate institutions were not funded equitably when compared with peer institutions in other states (funding adequacy). After controlling for various factors to isolate comparable instructional costs, the consultants also concluded that state funds for similar students in similar programs were not distributed equitably between Boise State University, Idaho State University, the University of Idaho and Lewis-Clark State College (funding equity).</p> <p>PART 1: BASE INSTRUCTIONAL EQUITY Upon receiving the consultant's report, the State Board of Education appointed several members to a task force and asked them to provide findings and recommendations to the full Board. The task force chose to focus on funding equity while acknowledging that funding adequacy was a legitimate but separate issue. At their January 2002 meeting, the full Board accepted task force findings that an inequity does exist in the base instructional funding between Idaho's four-year institutions. To correct that inequity, the Board requests \$7,920,000. BSU would receive \$4,490,700 or 57%, ISU would receive \$3,429,300 or 43% while the UI and LCSC would receive no additional Base Instructional Equity funding. The Board recommends that Base Instructional Equity be achieved with new, additional funds rather than by reallocating existing base funds among the four institutions.</p> <p>PART 2: SCIENCE &amp; TECHNOLOGY GROWTH ADJUSTMENT In addition to the Base Instructional Equity funding, and at the governor's behest, the Board considered a Science &amp; Technology Growth Adjustment. This aspect of adequacy funding is consistent with the chief executive's higher education research initiative. The Board requests \$3,000,000 for a Science &amp; Technology Growth Adjustment and considers it equal in priority with the request for Base Instructional Equity funding. The \$3 million would be distributed among the four-year institutions in direct proportion to their audited research expenditures of the prior fiscal year. In no case would an institution receive less than \$75,000. Under that formula, BSU would receive \$302,000 or 10%, ISU would receive \$326,400 or 11%, the UI would receive \$2,296,600 or 77%, and LCSC would receive \$75,000 or 3%.</p> <p>PART 3: ENROLLMENT WORKLOAD ADJUSTMENT CARRY FORWARD Finally, the Board addressed the methodology used to allocate funds provided for enrollment changes, otherwise known as the Enrollment Workload Adjustment. They first modified the EWA formula to give greater weight to doctoral level credits, as recommended by the consultants and task force. They then declared it their policy to carry forward any unfunded portion of the annual Enrollment Workload Adjustment into future years' appropriation requests until fully funded. This policy recognizes that enrollment increases not supported with additional state funds will create and perpetuate new funding inequities. Since no new money was appropriated for the Enrollment Workload Adjustment in FY 2003, the FY 2004 Equity enhancement request includes a net amount of \$617,200 that would be distributed among the four campuses based on last year's EWA calculation. (The FY 2004 Enrollment Workload Adjustment of \$1,364,900 is found under Non-Standard Adjustments section of this appropriation request.)</p> <p>TOTAL When combined, the three components of Base Instructional Equity, Science &amp; Technology Growth Adjustment and Enrollment Workload Adjustment result in a total request of \$11,537,200. Of that amount, BSU would receive \$4,468,700 or 39%, ISU would receive \$4,005,200 or 35%, UI would receive \$2,999,200 or 26% and LCSC would receive \$64,100 or 1%.</p> <p>FY 2004 ENHANCEMENT REQUEST The actual FY 2004 request attempts to take into account fiscal realities and seeks only one-fifth of the total, or \$2,307,400 in ongoing General Fund money. The State Board of Education expects to make a similar request each year for the following four years, through FY 2008, at which time funding equity would theoretically be achieved among the state's four-year institutions of higher education. This assumes, of course, that the Legislature will provide full funding for each year's Funding Equity and Enrollment Workload Adjustment requests.</p>					
Agency Request	0.00	2,307,400	0	0	2,307,400
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>Lump-Sum or Other Adjustments</b>					
Higher education budgets in Idaho have historically been appropriated in a lump sum. This type of appropriation allows for the transfer of funds between personnel costs, operating expenses, capital outlay and trustee/benefit payments at the agency's discretion.					
Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0
<b>FY 2004 Total</b>					
Agency Request	3,594.66	226,631,100	94,270,100	0	320,901,200
Governor's Recommendation	3,594.66	222,495,000	102,595,000	0	325,090,000
Agency Request					
Change from Original App	41.84	13,072,300	13,385,900	0	26,458,200
% Change from Original App	1.2%	6.1%	16.5%		9.0%
Governor's Recommendation					
Change from Original App	41.84	8,936,200	21,710,800	0	30,647,000
% Change from Original App	1.2%	4.2%	26.8%		10.4%

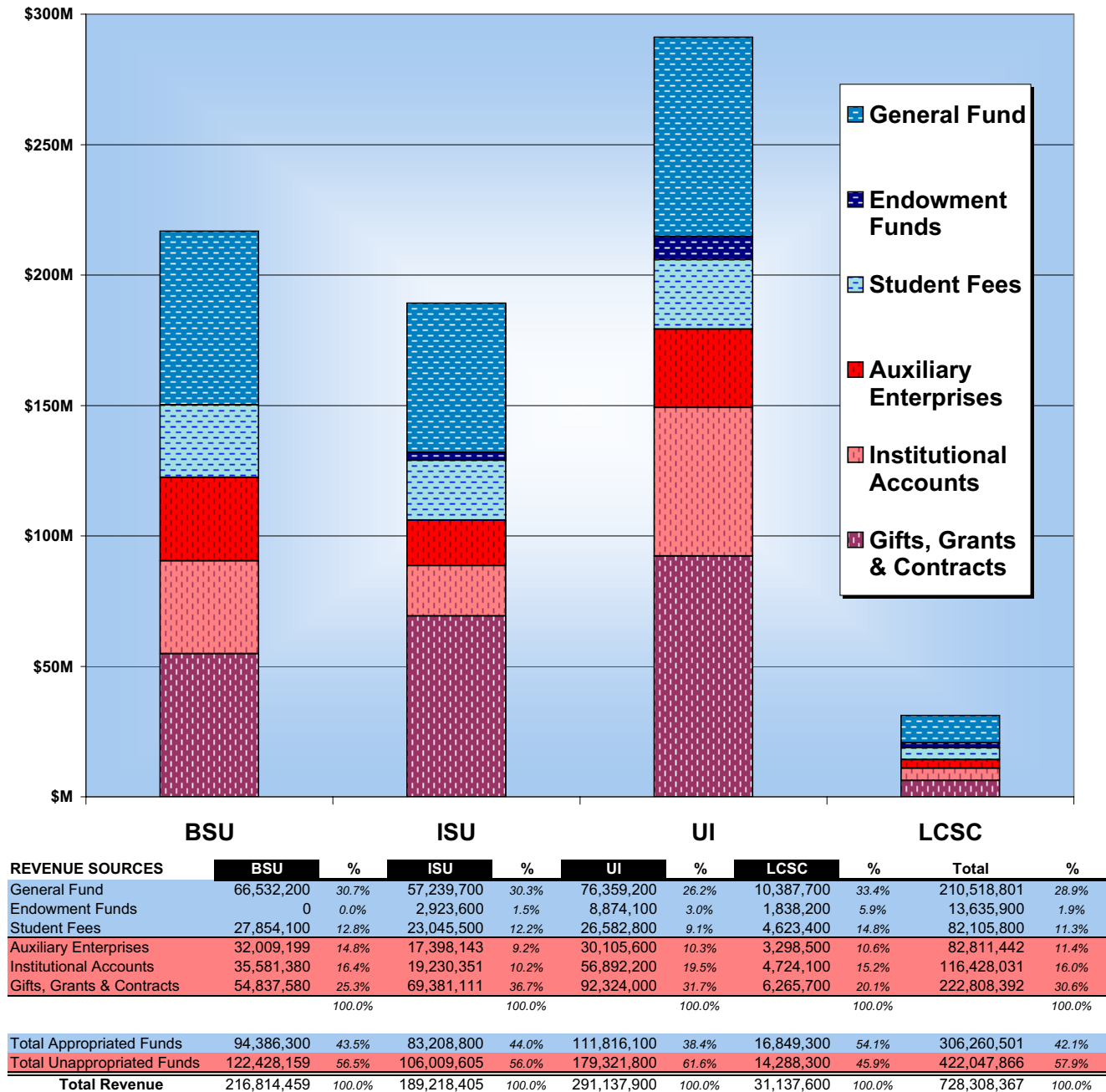
## FY 2003 Original Appropriation \$294,443,000



Source: Idaho Legislative Services Office, Budget & Policy Analysis



**FY 2003 All Funds Budgets**  
(Appropriated + Unappropriated Revenue)

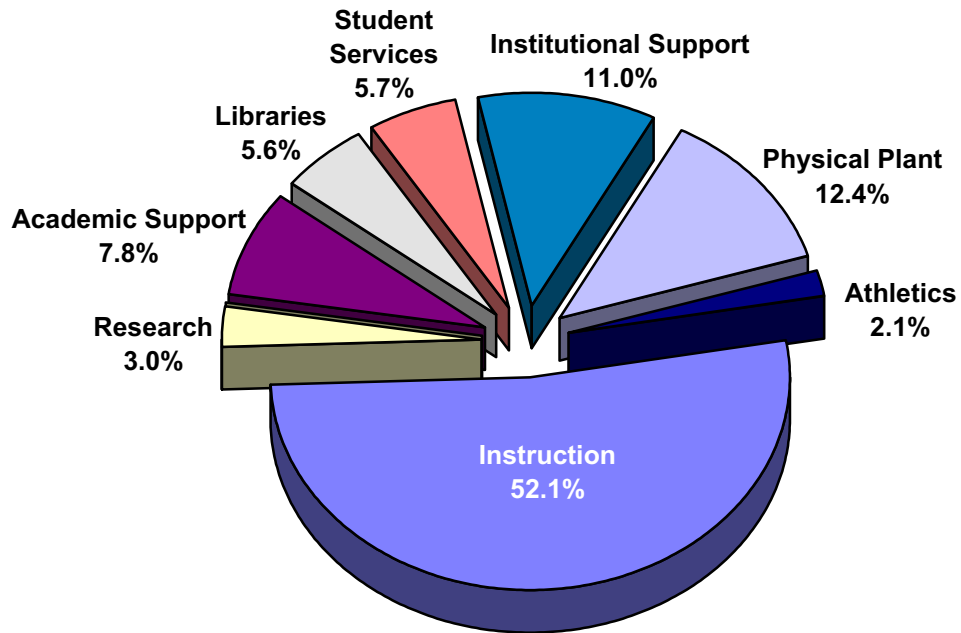


**DEFINITIONS of REVENUE SOURCES**

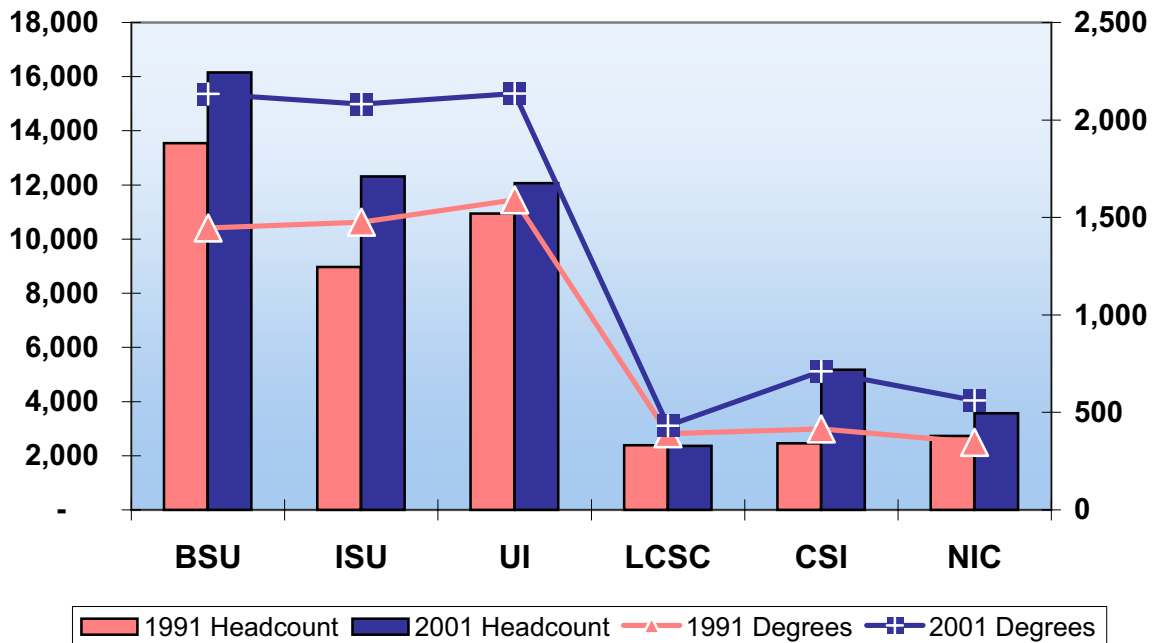
General Fund	Moneys received into the State Treasury that are available for general use and appropriated by the Legislature.
Endowment Funds	Revenue received from five separate state endowments, each with its own dedicated use to benefit education.
Student Fees	Primarily matriculation fees (paid by all students) and tuition (paid by nonresident students).
Auxiliary Enterprises	Institutional business enterprises such as bookstores, student housing, intercollegiate athletics, student unions, etc.
Institutional Accounts	Thousands of typically small activities that charge fees or sell products or services (e.g. copy machines, research labs, ag sales).
Gifts, Grants & Contracts	Gifts, grants and competitively bid contracts for specific deliverables. Includes federal direct student loans.

Source: Office of the State Board of Education.

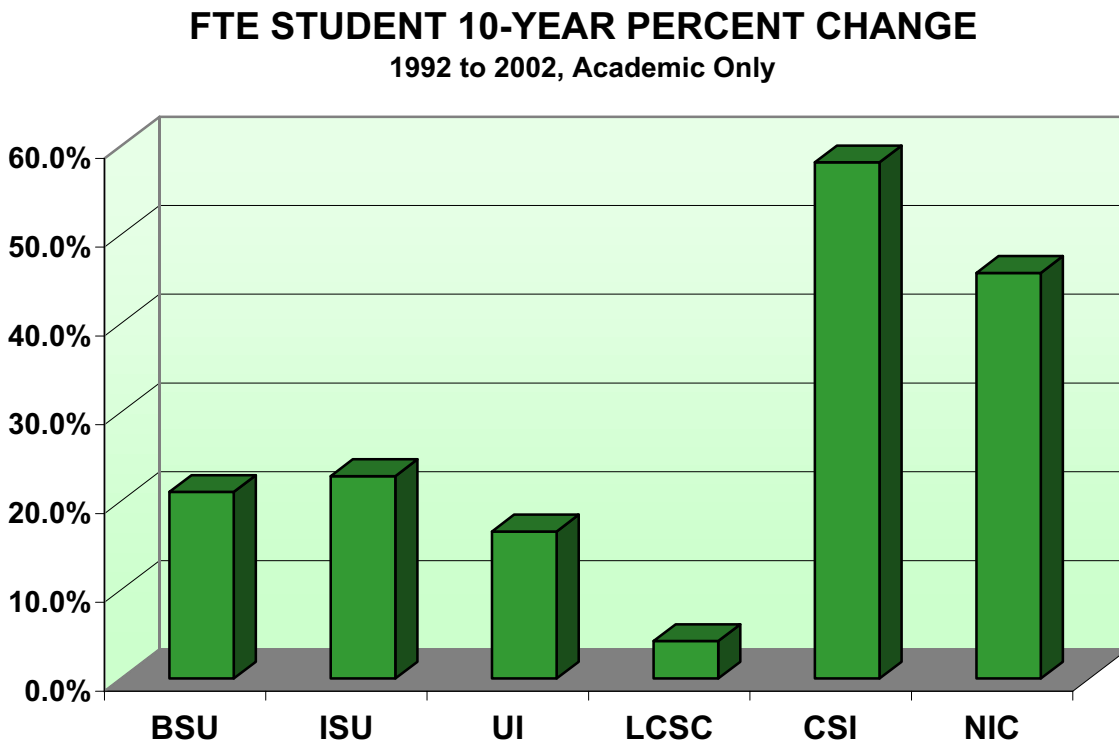
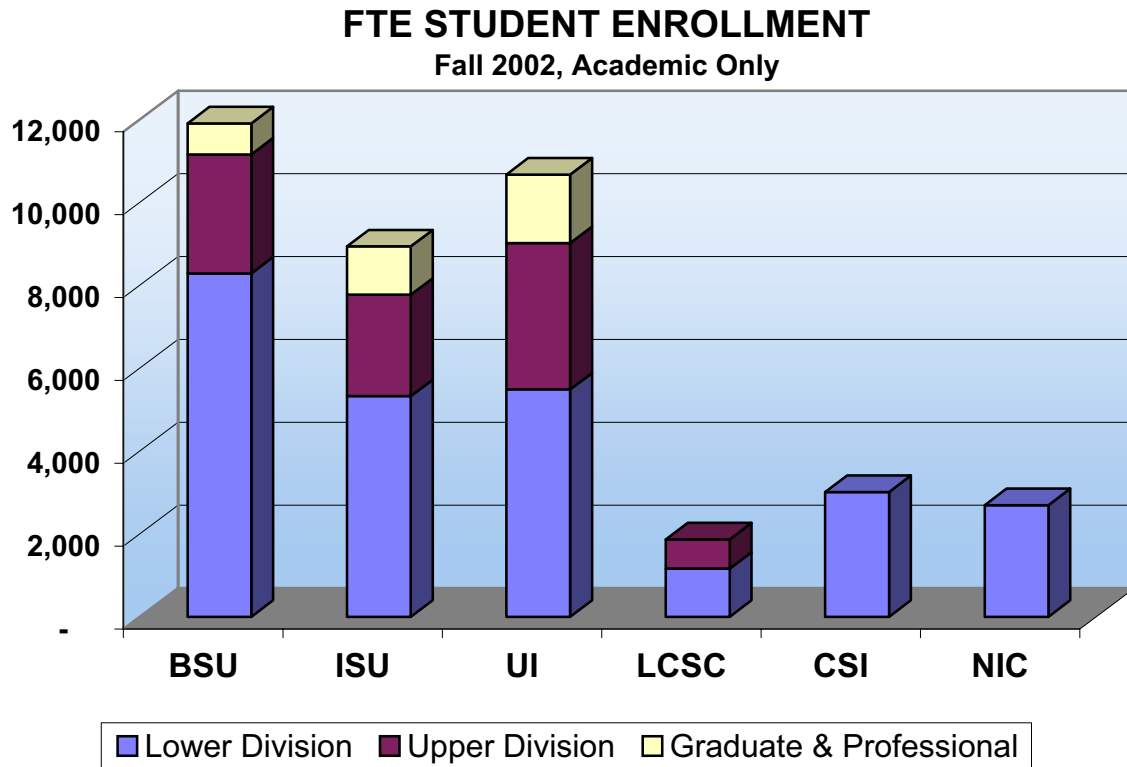
### USES of FY 2003 APPROPRIATED FUNDS



### STUDENT HEADCOUNT and NUMBER of DEGREES AWARDED Fall 1991 and 2001

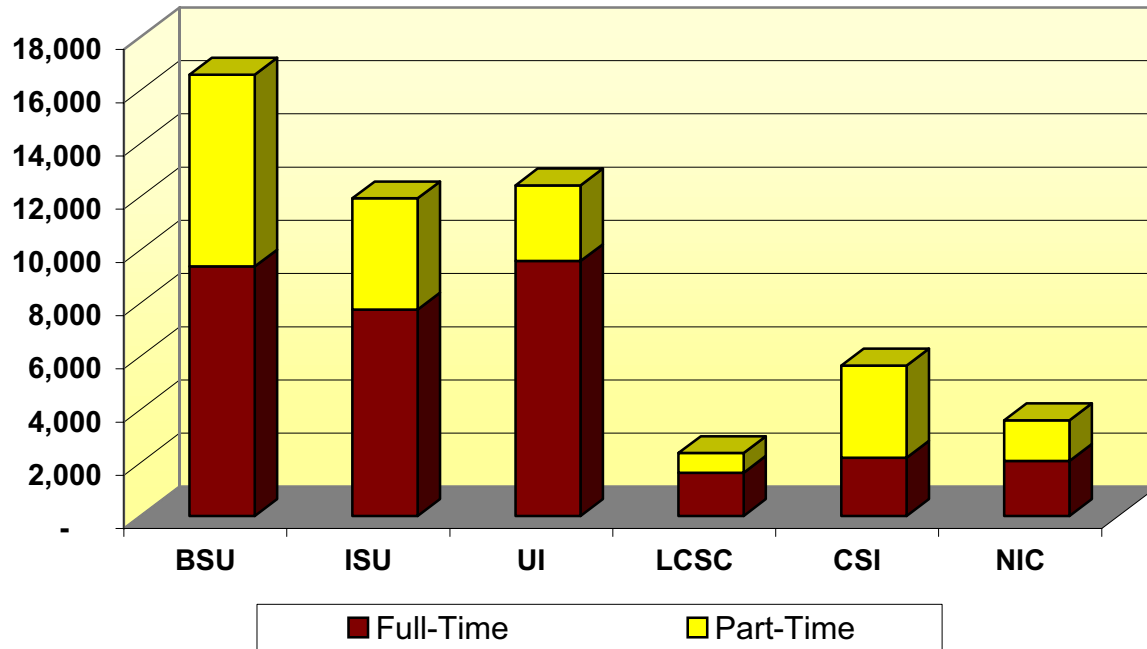


Source: Office of the State Board of Education

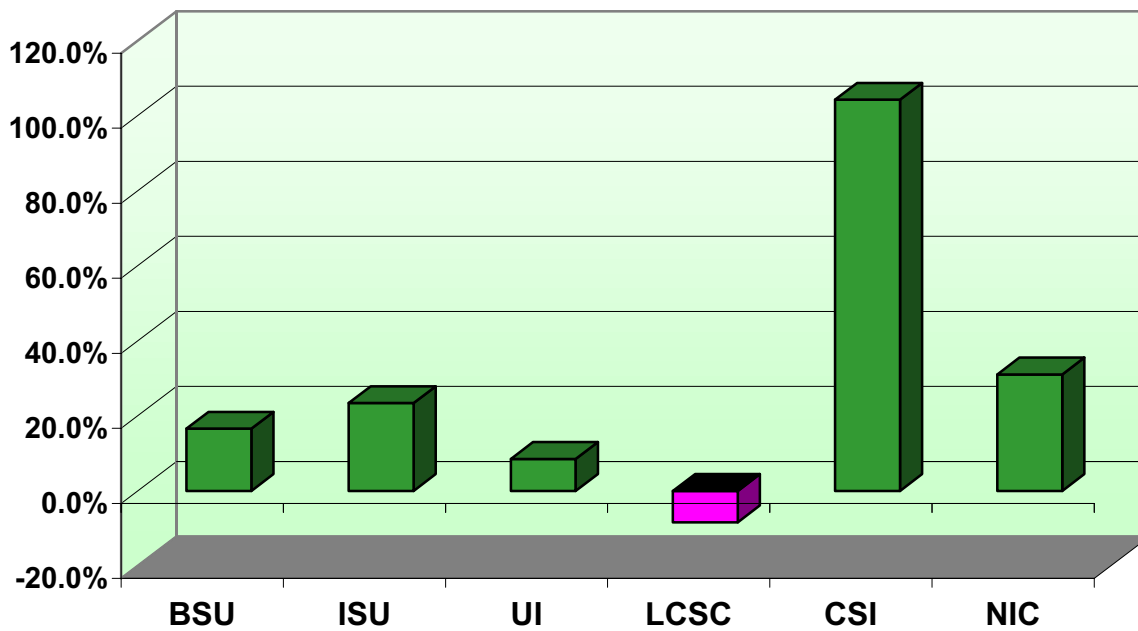


Source: Office of the State Board of Education

**STUDENT HEADCOUNT ENROLLMENT**  
Fall 2002, Academic Only



**STUDENT HEADCOUNT 10-YEAR PERCENT CHANGE**  
1992 to 2002, Academic Only



Source: Office of the State Board of Education

# College & Universities Issues & Information

Analyst: Borden

## ANNUAL Undergraduate Full-Time Student Fees & Tuition

### RESIDENT FEES

	FY 2002	FY 2003	\$ Change	% Change
<b>BSU</b>	\$ 2,665	\$ 2,984	\$ 319	12.0%
<b>ISU</b>	\$ 2,800	\$ 3,136	\$ 336	12.0%
<b>UI</b>	\$ 2,720	\$ 3,044	\$ 324	11.9%
<b>LCSC</b>	\$ 2,550	\$ 2,852	\$ 302	11.8%
<i>Average</i>	\$ 2,684	\$ 3,004	\$ 320	11.9%

### NON-RESIDENT TUITION

	FY 2002	FY 2003	\$ Change	% Change
<b>BSU</b>	\$ 6,200	\$ 6,400	\$ 200	3.2%
<b>ISU</b>	\$ 6,240	\$ 6,240	\$ -	0.0%
<b>UI</b>	\$ 6,000	\$ 6,720	\$ 720	12.0%
<b>LCSC</b>	\$ 5,438	\$ 5,710	\$ 272	5.0%
<i>Average</i>	\$ 5,970	\$ 6,268	\$ 298	5.0%

*(Non-Residents pay Resident Fees plus Non-Resident Tuition)*

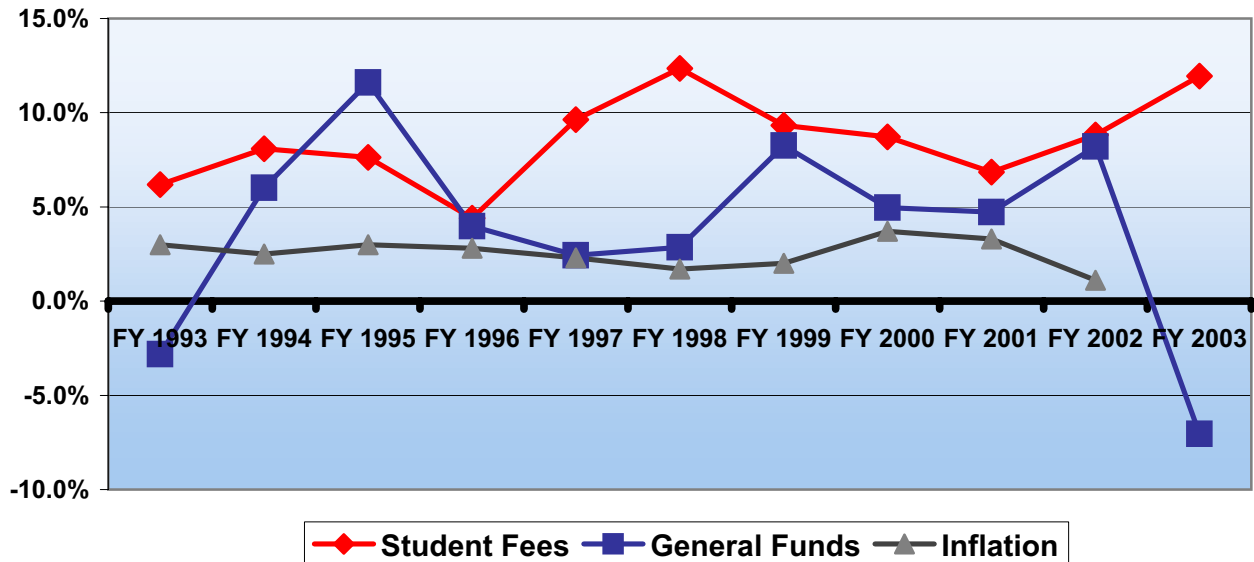
### Anatomy of Resident Student Fees

	FY 2003 Average	%
Matriculation Fee	\$ 1,805	60%
Technology Fee	\$ 87	3%
Facility Fee	\$ 479	16%
Activity Fees	\$ 633	21%
<b>Total</b>	<b>\$ 3,004</b>	

Idaho's FY 2002 Resident Student Fees ranked 12th out of the 15 WICHE states. Oregon's fees were the highest at 144% of Idaho's while Nevada's were the lowest at 89%.

According to the 2000 Census, Idaho's Median Household Income of \$37,462 ranked 11th out of the 15 WICHE states. However, Idaho's resident student fees as a percentage of Median Household Income ranked 7th at 7.3%. Montana's ratio was highest at 10.8% while California was lowest at 5.3%.

## PERCENT CHANGE HISTORY, FY 1993 to FY 2003 Student Fees, General Funding, Inflation



The fifteen Western Interstate Commission on Higher Education (WICHE) member states are Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington and Wyoming.

Source: Office of the State Board of Education